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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 22, 1999

APPLICATION OF

NCN VIRGINIA CORP.

CASE NO. PUC990079

For certificates of public
convenience and necessity to
provide local exchange and
interexchange telecommunications
services

FINAL ORDER

On April 30, 1999, NCN Virginia Corp. ("NCN" or "Company") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, NCN requested a waiver of the requirement that audited financial statements be filed with the application. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 19, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NCN's application.

On August 10, 1999, Staff filed its Report finding that NCN's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60, except that NCN did not provide audited financial statements. Accordingly, Staff recommended granting a local exchange certificate and an interexchange certificate to NCN conditioned on the Company establishing an unaffiliated, third-party, escrow account for any customer deposits, and that NCN provide audited financial statements of NCN's parent, NewComm Net, Inc., to Staff no later than one (1) year from the effective date of NCN's initial tariff in Virginia.

A hearing was conducted on September 7, 1999, at which time NCN filed all proofs of publication and proof of service as required by the May 19, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that NCN should be granted certificates to provide local exchange and interexchange telecommunications services subject to the conditions that any customer deposits collected by the Company shall be retained in an unaffiliated, third-party, escrow account until such time as the Staff or

Commission determines it is no longer necessary, and that NCN provide audited financial statements of NCN's parent, NewComm Net, Inc., to Staff no later than one (1) year from the effective date of NCN's initial tariff.

Having considered § 56-481.1, the Commission further finds that NCN may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NCN Virginia Corp. is hereby granted a certificate of public convenience and necessity, No. T-458, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) NCN Virginia Corp. is hereby granted a certificate of public convenience and necessity, No. TT-76A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) NCN shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) No later than one (1) year following the effective date of its initial tariff, NCN shall provide to the Division of

Economics and Finance audited financial statements of NewComm Net, Inc., for the most recent annual period.

(5) Should NCN collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, NCN may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.